

AMENDED IN ASSEMBLY JUNE 13, 2013

AMENDED IN SENATE APRIL 22, 2013

SENATE BILL

No. 656

Introduced by Senator Wright

February 22, 2013

An act to amend *Sections 394.3 and 394.5 of, and to repeal Section 392.1-~~of~~ of*, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 656, as amended, Wright. Electrical restructuring: information practices.

Under existing law, the Public Utilities Commission has broad regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical industry requires the commission to authorize and facilitate direct transactions between electricity suppliers and end-use customers subject to the implementation of a nonbypassable charge, as specified. Electrical restructuring requires electric service providers, which are entities that offer electrical service to customers within the service territory of an electrical corporation but which are not electrical corporations, to register with the commission and to disclose specified information, among other things and authorizes the commission to enforce specific statutes with respect to electric service providers, but does not grant the commission jurisdiction to regulate electric service providers other than as specified.

Existing law restructuring the electrical industry requires the commission to compile and regularly update information regarding registered electric service providers, including the names and contact numbers of providers, information to assist consumers in making service

choices, the number of customer complaints against specific providers in relation to the number of customers served by those providers, and the disposition of those complaints. In this regard, existing law requires the commission to direct the Office, now Division, of Ratepayer Advocates to collect and analyze this information for purposes of preparing easily understandable informational guides or other tools to help residential and small commercial customers understand how to evaluate competing electric service options.

~~This bill would require the commission to compile and to update, every 6 months, the above-described information regarding registered electric service providers. The bill would delete the requirement that the commission direct the Office of Ratepayer Advocates to collect and analyze the information for purposes of making available informational guides or other tools. repeal the above provisions relating to informational guides for consumers and would make conforming changes in related provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 392.1 of the Public Utilities Code is
2 repealed.
3 ~~392.1. (a) The commission shall compile and regularly update~~
4 ~~the following information: names and contact numbers of registered~~
5 ~~providers, information to assist consumers in making service~~
6 ~~choices, and the number of customer complaints against specific~~
7 ~~providers in relation to the number of customers served by those~~
8 ~~providers and the disposition of those complaints. To facilitate this~~
9 ~~function, registered entities shall file with the commission~~
10 ~~information describing the terms and conditions of any standard~~
11 ~~service plan made available to residential and small commercial~~
12 ~~customers. The commission shall adopt a standard format for this~~
13 ~~filing. The commission shall maintain and make generally available~~
14 ~~a list of entities offering electrical services operating in California.~~
15 ~~This list shall include all registered providers and those providers~~
16 ~~not required to be registered who request the commission to be~~
17 ~~included in the list. The commission shall, upon request, make this~~
18 ~~information available at no charge. Notwithstanding any other~~
19 ~~provision of law, public agencies which are registered entities shall~~

1 ~~be required to disclose their terms and conditions of service~~
2 ~~contracts only to the same extent that other registered entities~~
3 ~~would be required to disclose the same or similar service contracts.~~

4 ~~(b) The commission shall issue public alerts about companies~~
5 ~~attempting to provide electric service in the state in an unauthorized~~
6 ~~or fraudulent manner as defined in subdivision (b) of Section~~
7 ~~394.25.~~

8 ~~(c) The commission shall direct the Office of Ratepayer~~
9 ~~Advocates to collect and analyze information provided pursuant~~
10 ~~to subdivision (a) for purposes of preparing easily understandable~~
11 ~~informational guides or other tools to help residential and small~~
12 ~~commercial customers understand how to evaluate competing~~
13 ~~electric service options. In implementing these provisions, the~~
14 ~~commission shall direct the Office of Ratepayer Advocates to pay~~
15 ~~special attention to ensuring that customers, especially those with~~
16 ~~limited English-speaking ability or other disadvantages when~~
17 ~~dealing with marketers, receive correct, reliable, and easily~~
18 ~~understood information to help them make informed choices. The~~
19 ~~Office of Ratepayer Advocates shall not make specific~~
20 ~~recommendations or rank the relative attractiveness of specific~~
21 ~~service offerings of registered providers of electric services.~~

22 *SEC. 2. Section 394.3 of the Public Utilities Code is amended*
23 *to read:*

24 ~~394.3. In order to~~ *To* carry out essential elements of a
25 sustainable and effective consumer protection program in
26 connection with electric service providers offering electrical service
27 to residential and small commercial customers as intended by the
28 Legislature in this article, the following shall apply:

29 ~~(a) A~~ *The commission shall collect a* registration fee of one
30 hundred dollars (\$100) ~~shall be collected~~ from electric service
31 providers required to register under this article, and *deposit* the
32 fee proceeds ~~shall be deposited~~ in the Public Utilities
33 Reimbursement Account established under Section 402.

34 ~~(b) The commission shall annually determine the costs of~~
35 ~~administering the registration program and other facets of consumer~~
36 ~~protection directly related to the direct access transactions of~~
37 ~~electric service providers, including the cost for the duties imposed~~
38 ~~pursuant to subdivision (c) of Section 392.1 providers. The~~
39 ~~commission shall only collect only those costs not already being~~
40 ~~collected elsewhere. Registrants~~ *A registrant who fails* to

1 submit to the commission ~~a required fee~~ *fee* or *a piece of*
2 information upon which fees are calculated within 30 days of
3 billing shall be subject to a 15-percent penalty.

4 *SEC. 3. Section 394.5 of the Public Utilities Code is amended*
5 *to read:*

6 394.5. (a) Except for an electrical corporation as defined in
7 Section 218, or a local publicly owned electric utility offering
8 electrical service to residential and small commercial customers
9 within its service territory, each electric service provider offering
10 electrical service to residential and small commercial customers
11 shall, prior to the commencement of service, provide the potential
12 customer with a written notice of the service describing the price,
13 terms, and conditions of the service. ~~The notices~~ *A notice* shall
14 include all of the following:

15 (1) A clear description of the price, terms, and conditions of
16 service, including:

17 (A) The price of electricity expressed in a format ~~which~~ *that*
18 makes it possible for residential and small commercial customers
19 to compare and select among similar products and services on a
20 standard basis. The commission shall adopt rules to implement
21 this subdivision. The commission shall require disclosure of the
22 total price of electricity on a cents-per-kilowatt-hour basis, including
23 the costs of all electric services and charges regulated by the
24 commission. The commission shall also require estimates of the
25 total monthly bill for the electric service at varying consumption
26 levels, including the costs of all electric services and charges
27 regulated by the commission. In determining these rules, the
28 commission may consider alternatives to the cents-per-kilowatt-hour
29 disclosure if other information would provide the customer with
30 sufficient information to compare among alternatives on a standard
31 basis.

32 (B) Separate disclosure of all recurring and nonrecurring charges
33 associated with the sale of electricity.

34 (C) If services other than electricity are offered, an itemization
35 of the services and the charge or charges associated with each.

36 (2) An explanation of the applicability and amount of the
37 competition transition charge, as determined pursuant to Sections
38 367 to 376, inclusive.

39 (3) A description of the potential customer's right to rescind
40 the contract without fee or penalty as described in Section 395.

1 (4) An explanation of the customer's financial obligations, as
2 well as the procedures regarding past due payments, discontinuance
3 of service, billing disputes, and service complaints.

4 (5) The electric service provider's registration number, if
5 applicable.

6 (6) The right to change service providers upon written notice,
7 including disclosure of any fees or penalties assessed by the
8 supplier for early termination of a contract.

9 (7) A description of the availability of low-income assistance
10 programs for qualified customers and how customers can apply
11 for these programs.

12 (b) The commission may assist electric service providers in
13 developing the notice. The commission may suggest inclusion of
14 additional information it deems necessary for the consumer
15 protection purposes of this section. On at least a semiannual basis,
16 electric service providers shall provide the commission with a copy
17 of the form of notice included in standard service plans made
18 available to residential and small commercial customers—as
19 described in subdivision (a) of Section 392.1.

20 (c) ~~Any~~ *An* electric service provider offering electric services
21 who declines to provide those services to a consumer shall, upon
22 request of the consumer, disclose to that consumer the reason for
23 the denial in writing within 30 days. At the time service is denied,
24 the electric service provider shall disclose to the consumer ~~his or~~
25 *her the* right to make this request. ~~Consumers~~ *A consumer* shall
26 have at least 30 days from the date service is denied to make the
27 request.

28 ~~SECTION 1. Section 392.1 of the Public Utilities Code is~~
29 ~~amended to read:~~

30 ~~392.1. (a) The commission shall compile and update every six~~
31 ~~months all of the following information: names and contact~~
32 ~~numbers of registered providers, information to assist consumers~~
33 ~~in making service choices, and the number of customer complaints~~
34 ~~against specific providers in relation to the number of customers~~
35 ~~served by those providers and the disposition of those complaints.~~
36 ~~To facilitate this function, registered entities shall file with the~~
37 ~~commission information describing the terms and conditions of~~
38 ~~any standard service plan made available to residential and small~~
39 ~~commercial customers. The commission shall adopt a standard~~
40 ~~format for this filing. The commission shall maintain and make~~

1 ~~generally available a list of entities offering electrical services~~
2 ~~operating in California. This list shall include all registered~~
3 ~~providers and those providers not required to be registered that~~
4 ~~request the commission to be included in the list. The commission,~~
5 ~~upon request, shall make this information available at no charge.~~
6 ~~Notwithstanding any other provision of law, public agencies that~~
7 ~~are registered entities shall be required to disclose their terms and~~
8 ~~conditions of service contracts only to the same extent that other~~
9 ~~registered entities would be required to disclose the same or similar~~
10 ~~service contracts.~~

11 ~~(b) The commission shall issue public alerts about companies~~
12 ~~attempting to provide electric service in the state in an unauthorized~~
13 ~~or fraudulent manner as defined in subdivision (b) of Section~~
14 ~~394.25.~~